

The legal procedure for buying a residence

NB. Amounts are shown in Francs and Euros and should be considered as indicative only. Your agent immobilier and notaire will advise up to date figures and rates.

Once you have found the residence of your choice, you must sign a preliminary contract called a promesse de vente, a promesse d'achat or a compromis de vente. You may sign this contract privately or in the presence of a notaire (notary/solicitor).

In either case, as buyer, you have a seven-day delay of rétraction or réflexion before being legally and financially committed to purchase. During this period, it is unlawful to deposit any money.

After the seven-day period, the buyer customarily gives a 10 percent deposit to finalise the affair. If the buyer later decides not to buy, and if there are no conditions suspensive or suspending conditions (such as a clause stipulating that the buyer has been granted a certain delay to find financing), the seller keeps the 10 percent deposit as compensation.

There are several important details which must be included in the preliminary contract.

One is the exact living surface of an apartment according to the loi Carrez. The calculation of the floor space excludes separating walls, stairs, terraces and balconies as well as any floor space that has a ceiling lower than 1.80 metres. So, an apartment de charme which has slanted ceilings, a mezzanine, a staircase etc., which is 60m², might actually be only 30m² according to the loi Carrez. However, this does not necessarily affect the selling price because one pays more for charm!

However, the loi Carrez does not apply to houses or lots of less than 8m².

Other details that must be indicated include the known presence of termites, of lead (present in certain paints) and asbestos (present in false ceilings).

Three months after signing the preliminary contract, you are obliged to sign the final acte de vente in the presence of a notaire, notary or solicitor, who is an officer of the state ministry. It is usually the buyer who proposes his notary to direct the procedure. The seller is often accompanied by his personal notary for the final sale as well.

On the day of the signature, you will be required to make out a check for the remaining amount outstanding on the full purchase price of your new property.

You will also be required to pay the frais de notaire, or notary fees. These fees pay for the notary's services and also include certain taxes and registration fees. The notary fees are calculated according to a percentage of the value of the property

being sold:

- * Up to FF 20,000 (EUR 3,049): 5% (plus 0 francs)
- * From FF 20,001 to FF 40,000 (EUR 3,049 to 6,098): 3.30% (plus FF 340/EUR 52)
- * From FF 40,001 to FF 110,000 (EUR 6,098 to EUR 16,769): 1.65% (plus FF 1,000/EUR 152)
- * Anything over FF 110,000 (EUR 16,769): 0.825% (plus FF 1,907/EUR 291)

You must then also add 19.6 % in VAT to the result, to calculate the full amount to be paid.

So, taking the case of a property which costs FF 1,000,000 (EUR 152, 449), you must add 0.825% of the amount, plus FF 1,907.5, which makes FF 10,157 (EUR 1, 548.5). Then add 19.6% (VAT) to reach a final amount of FF 12,148 (EUR 1, 852)

Add FF 3, 000 TTC (EUR 450) for extra fees and formalities for a total notary fee of: FF 15, 148 TTC (EUR 2, 302)

Property taxes

Once you have become an owner, you will be required to pay several annual state taxes. These are the tax d'habitation and the tax foncier, yearly taxes due every 1 January. These are based upon a complicated calculation involving local revenues, living space, and personal taxes. When acquiring a new property, it is customary, if you buy in the course of the year, to give a pro-rated percentage of the yearly tax to the seller who has paid them in advance.

Finally, if you buy a property of five years or older, you will also be required to pay un droit départemental, un taxe communale and des frais d'assiette which amount to 4.89 percent of the value of the property.

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